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Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE
RURAL TELECOMMUNICATIONS INDUSTRY

Regulatory Headlines

Dems to Ramp Up FCC Oversight

Democrats won control of the chamber in the Tuesday midterms and will now have more power to go after Republican Federal Communications Commission (FCC) Chairman Ajit Pai, with whom they have repeatedly clashed over his repeal of net neutrality. And they will be able to use control of panels such as the House Energy and Commerce Committee to spotlight issues like media and telecom mergers and, in particular, data privacy violations.

SCOTUS Ends Net Neutrality Battle

The U.S. Supreme Court on Monday refused a request by the Trump administration and the telecommunications industry to wipe away a lower court decision that had upheld Obama-era net neutrality rules aimed at ensuring a free and open internet, though the justices' action does not undo the 2017 repeal of the policy.

Pai Demands Halt to Robocalls

U.S. Federal Communications Commission Chairman Ajit Pai on Monday wrote the chief executives of major telephone service providers and other companies, demanding they launch a system no later than 2019 to combat billions of "robocalls" and other nuisance calls received monthly by American consumers.

Comment Sought on Voice Test

The FCC's Office of Engineering and Technology and the Wireline Competition Bureau (Bureaus) are soliciting comment on expanding their list of key applications and functionalities for which a carrier must demonstrate interoperability when requesting to discontinue legacy voice service pursuant to the FCC's "adequate replacement" test.



Market Watch

[Wireless Capex Shows Signs of Slowing](#)

[Rural Telco Non-Reg Revenue Growth](#)

[Biggest CAF II Winner to Deploy Fixed Wireless](#)

[Telecom CEOs Optimistic About M&A](#)



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Questions? Comments?
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Technology Trends

New and notable technology and services

FCC Certifies CBRS Module

The industry moved a step closer to CBRS commercial deployment with the news yesterday that a CBRS module from Sierra Wireless had received FCC certification. The FCC certified CBRS module is designed for end-user devices, explained Dave Dixon, senior product manager for Sierra Wireless, in answer to questions from Telecompetitor. Sierra Wireless claims to be the first company to have FCC certification for that type of offering.

Digital Transformation 2.0

The network has been turned inside out. The vision of a mass of powerful and centralized computers and communications equipment feeding data to far less powerful endpoints is antiquated. Instead, the time-sensitive video and other applications and the fluidity of where people use them are driving intelligence and computer power to the edge of the network.

Private 5G Networks Are Coming

The Industrial Internet of Things (IoT) will drive adoption of private 5G networks, some are saying. In fact, automakers BMW; Daimler, which makes Mercedes vehicles; and Volkswagen have told the German spectrum manager BNA (Federal Network Agency) that they are “interested in operating local 5G networks,” Markus Fasse and Stephan Scheuer wrote in a recent Handelsblatt Global article.

Learning From Tech Giant Data Centers

Industry leaders such as Microsoft, Google, and Amazon have massive server deployments around the world. Likewise, Netflix -- which is famously cloud-first for programmatic operations -- still relies on their own infrastructure for its content delivery network (CDN). Unless you work for these companies, your data center deployments are unlikely to be quite that large.

Cable TV Loses 1 Million Subs

Cable and satellite TV providers lost 1.1 million subscribers between July and September, their largest quarterly loss ever, according to a MoffettNathanson, a media research firm. Per USA Today, Dish alone had a net loss of 341,000, (367,000 in total losses were slightly offset by 26,000 Sling TV additions) a dramatic increase from the 16,000 it lost during the same quarter in 2017.



IN FOCUS:

FCC Relaxes Business Data Services Regulation

The FCC adopted an [order](#) in October that offers significant regulatory flexibility for carriers currently receiving Alternative Connect America cost model (ACAM) support, or support received under the Alaska Plan for the provision of business data services (BDS) - basically non-DSL special access.

The FCC will now allow carriers receiving ACAM and AK Plan support to adopt incentive regulation (basically price caps) for low-capacity (DS3 or below) business data services on a voluntary basis. For carriers accepting this option, high-capacity and packet-based services will be removed from pricing regulation and detariffed. In addition, for carriers serving areas deemed competitive ([list](#)), the low-capacity BDS services may also be relieved from pricing regulation.

For carriers electing incentive regulation for non-competitive low-capacity BDS, pricing regulation would be pursuant to current FCC price cap rules—47 CFR §61.45-61.47. As such, price cap factors would be in effect, including a 2% X-factor (productivity), an inflationary measure based on the GDP-CPI, inclusion of exogenous costs, and a low-end adjustment.

For low-cap BDS provided in competitive areas, and for high-cap BDS for electing carriers, pricing regulation basically goes away, leaving only minimum FCC regulation to ensure BDS rates and practices are just, reasonable and not unreasonably discriminatory.

The FCC also adopts forbearance for electing carriers in the areas of frozen separations categories, tariffing, cost separations rules, and GAAP accounting.

The FCC will allow two election times—one effective 7/1/2019 (based on rates in effect 1/1/19) and one effective 7/1/2020 (based on rates in effect 1/1/2020). For each election, notice will have to be provided to the Wireline Competition Bureau by May 1. Furthermore, this BDS incentive regulation option will be available to all carriers accepting future offers of ACAM support (expected to happen later this year).

We will be in touch with potentially affected clients soon on how to analyze this opportunity, and what the next steps should be.



Alexicon at Work

Broadband Mapping

Zach Cochran (a/k/a the GIS guru) is currently in the process of completing an alternative approach to tracking, mapping, and reporting broadband availability for rural carriers. The method is completely visual, using GIS software, publicly-available data, and a Python script to enable broadband providers an easy (or easier) way to report broadband availability at a sub-census block level. The system, tentatively dubbed the “GRID” for Geographic Revision of Internet Deployment, is also being presented to a national audience, including NTCA and NTIA.

Please contact Zach if you have any questions or would like to schedule a demonstration.

Offices Closed

Alexicon’s offices will be closed on November 22 and 23 for the Thanksgiving holiday.



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